

MINUTES OF MEETING

STATE OF WISCONSIN JOINT INFORMATIONAL MEETING TEACHERS RETIREMENT, WISCONSIN RETIREMENT, AND EMPLOYEE TRUST FUNDS BOARDS

Thursday, June 17, 2004

**Sheraton Madison Hotel
706 John Nolen Drive
Madison, Wisconsin**

BOARD PRESENT:

Ted Bauer, WR Board
Ted Bratanow, TR Board
John Brown, ETF Board and Vice-Chair, WR Board
Reginald Delwiche, TR Board
Suzanne Doemel, TR Board
Barbara Ermeling, WR Board
Theron Fisher, ETF Board
Rick Gale, WR Board
Wayne Koessl, Vice-Chair, ETF Board and WR Board
Kathleen Kreul, ETF Board
Irena Macek, ETF Board and TR Board
Wayne McCaffery, Chair, ETF Board and TR Board
Lon Mishler, TR Board
Robert Niendorf, Secretary, Vice-Chair, TR Board and ETF Board
Dennis Panicucci, TR Board
Tom Pedersen, TR Board
Nancy Thompson, ETF Board and Secretary, TR Board
James Tripp, TR Board
Cynthia Van Bogaert, ETF Board
Marilyn Wigdahl, Chair, ETF Board and Chair, WR Board
David Wiltgen, TR Board

BOARD NOT PRESENT:

Jefferson Davis, Secretary, WR Board
Jorge Gomez, WR Board
Dennis Pratt, TR Board
Karen Timberlake, ETF Board

PARTICIPATING ETF STAFF:

Eric Stanchfield, Secretary
Dave Stella, Deputy Secretary
Julie Reneau, Administrator, Division of Retirement Services
Christina Licari, Board Liaison
Robert Weber, Chief Legal Counsel
Bob Willett, Controller

OTHERS PRESENT:

Michael Blumenfeld, Blumenfeld & Associates
Mark Buis, Gabriel, Roeder, Smith & Company
Sue Chamberlain, University of Wisconsin System Administration
Sandy Drew, State of Wisconsin Investment Board
Jane Elmer, Wisconsin Retired Educators Association

Bill Ford, Legislative Council
Tony Mason, Legislative Fiscal Bureau
Brian Murphy, Gabriel, Roeder, Smith & Company
Mel Sensenbrenner, State Engineering Association
Ken Stelzig, Wisconsin Education Association Council – Retired
Art Zimmerman, Legislative Fiscal Bureau

Wayne McCaffery, Chair, Teachers Retirement Board, called the meeting to order at 9:25 a.m.

CONSIDERATION OF MINUTES

Motion: Ms. Thompson moved approval of the minutes of the March 25, 2004, meeting. Mr. Brown seconded the motion, which passed without objection on a voice vote.

ANNOUNCEMENTS

Ms. Reneau introduced Dennis Panicucci, new Teachers Retirement Board member; John Vincent, the Department's new Deputy Administrator of Trust Finance and Employer Services; and Jon Kranz, the Department's new Budget Director. Secretary Stanchfield announced that former Deputy Secretary of the Department, Dave Mills has been appointed as the Director of the State of Wisconsin Investment Board.

MISCELLANEOUS

Benefit Payment System. Ms. Reneau presented an update on the development of the Benefit Payments System (BPS). Ms. Reneau noted since the last Board meeting, the Department of Employee Trust Funds (ETF) had contracted with Virchow-Krause for a post-mortem evaluation of the BPS project. The report underway will address approaches to going forward with the project, including scope, system architecture, methodology, and project administration.

Fact Sheets. Ms. Reneau noted that an updated fact sheet on the Wisconsin Deferred Compensation program had been included in the mailing packet. In addition, she noted that a new ombudsperson services fact sheet is available on the Department's Web site and a new Ombudsperson Services brochure was distributed to Board members for their reference.

ADMINISTRATIVE RULE/SCOPE STATEMENT

Mr. Weber presented a scope statement for amending the rule regarding the acceptance by the Department of documents received via facsimile. The scope statement proposed that electronic documents are functionally the same as original documents and that electronic documents should be accepted with no requirement of also submitting an original.

The scope statement will be presented for action in the Boards' individual meetings.

WISCONSIN RETIREMENT SYSTEM 23rd ANNUAL ACTUARIAL VALUATION OF ACTIVE LIVES – DECEMBER 31, 2003

Ms. Reneau introduced Brian Murphy and Mark Buis of Gabriel, Roeder, Smith & Company, actuaries for the Department. They presented a slide presentation in conjunction with the report, *Wisconsin Retirement System 23rd Annual Actuarial Valuation of Active Lives –December 31, 2003*. The valuations reflect the actuarial experience, trends and projections for non-retired participants covered by the Wisconsin Retirement System (WRS). The valuations establish

contribution rates for the 2005 calendar year in conformance with Chapter 40 of the Wisconsin Statutes. Ms. Reneau noted that the Employee Trust Funds Board would be asked to take action regarding the valuations at their meeting on Friday, June 18, 2004.

The Board took a break at 10:15 a.m.

EDUCATIONAL TOPIC: DEPARTMENT OF EMPLOYEE TRUST FUNDS ANNUAL FINANCIAL REPORT – DECEMBER 31, 2003

Ms. Reneau introduced Bob Willett, ETF Controller. Mr. Willett presented a Powerpoint presentation in conjunction with the *Department of Employee Trust Funds Annual Financial Report – December 31, 2003*. The report and presentation contained information regarding the year-end balances of the combined transaction amortization and market recognition accounts, annual WRS contributions and annuity payments, new annuities begun annually, post-retirement increases compared to cost of living, unfunded actuarial accrued liabilities, fixed and variable fund investment income, fixed and variable fund reserves, and the funded status of WRS insurance funds and other benefit plans.

ADJOURNMENT

Motion: Ms. Doemel moved adjournment. Ms. Ermeling seconded the motion, which passed without objection on a voice vote.

The Joint Informational Meeting adjourned at 11:30 a.m.

Date Approved: _____

Signed: _____

Nancy Thompson, Secretary
Teachers Retirement Board